

NEWS – CONGRESSMAN PETE STARK

239 Cannon House Office Building

Washington, DC 20515

(202) 225-5065

www.stark.house.gov

FOR IMMEDIATE RELEASE

Thursday, February 10, 2011

Contact: Brian Cook, (202) 225-3202

HIGHLIGHTS FROM TODAY'S HEARING ON HOW HEALTH REFORM HELPS MEDICARE BENEFICIARIES

WASHINGTON – Today, the Ways and Means Committee held a hearing about the effect of the health reform law on Medicare and Medicare beneficiaries. The committee heard testimony from Donald M. Berwick, M.D., Administrator of the Centers for Medicare and Medicaid Services; and Richard S. Foster, Chief Actuary of the Centers for Medicare and Medicaid Services.

Some of the highlights of the hearing are below:

REPEAL WOULD UNDERMINE CARE FOR MEDICARE BENEFICIARIES

REP. LEWIS (D-GA): "What would happen to cost sharing for Medicare beneficiaries if reform was repealed?"

DR. BERWICK: "Costs would go up for beneficiaries if reform were repealed, beginning with the drug coverage issue. Seniors are very, very dependent on access to medications that preserve their health and their life, and their vitality, and they know it. If this bill is repealed, more and more seniors will lack access to drugs that they really need. If this bill is repealed, they won't be able to get, as easily, the preventive services they need that are going to keep them healthy over time."

NEW TOOLS IN HEALTH REFORM TO FIGHT FRAUD, WASTE AND ABUSE

REP. GERLACH (R-PA): "In your testimony, you have the sentence, 'CMS has new tools to fight fraud that will return money to the trust funds and the treasury.' What new tools does the agency have to really ferret out the waste, fraud, and abuse that's contained in the system?"

DR. BERWICK: "Two big kinds of tools, I would call them. Detection tools which allow us to identify patterns of abuse of the public trust and actually criminal behaviors, and working very closely with the Department of Justice and FBI and others we are engaging in more and more enforcement with quite a bit of return. I think the return on investment calculation shows

something like 6.8 to 1 for the dollars we're putting into that. That's the pay-and-chase part of enforcement.

"The other part, very exciting to me, is prevention. Why do these people get into the system in the first place? And so we now have rules out there that will eventually allow us to pre-qualify Medicare providers at different tiers of risk by screening them in advance. In some cases, at the riskiest levels, with actual criminal background checks that will keep the criminals out of the system in the first place."

IMPROVING QUALITY AND REDUCING COSTS

REP. SCHOCK (R-IL): "Are you aware of any publicly traded company, who has to put out for the public their books, and for their investors their projections on costs, any publicly traded company who is predicting their health care costs going down for the next five years?"

DR. BERWICK: I wouldn't know that, Congressman. What I know is that it's possible to get there and we ought to be changing that way of thinking over time by making care better. I want to work with the private sector, employers, hospitals, professional societies, those who give care, health plans, all together to make care better. Have you ever seen a patient with a post-operative infection that they didn't need to get? Do you understand what that costs in time and morbidity? Well, that could be a private pay patient or a public pay patient, it's still costing money.

"So I want change the game in health care with my colleagues in the private sector to make that care safer and better. And when we do that, the care will get more affordable, and I'm not an accountant or a stockbroker but I'll bet you're going to see companies around this country understand that their health lies in a healthier health care system, which is what we're headed for."

REPUBLICAN MEDICARE VOUCHER PLAN WOULD UNDERMINE SENIORS' BENEFITS

REP. BLUMENAUER (D-OR): "I wonder if you've had a chance to look at the Republican Roadmap that my good friend and colleague Paul Ryan has advanced that actually posits greater reductions in Medicare spending over time. And I would ask if you think that is greater or less likely that congress would stand by and allow greater reductions, if you think there are problems under the existing act, would there be greater or lesser reductions under my friend Paul Ryan's approach?"

FOSTER: "My office looked at Mr. Ryan's plan several years ago when he first developed it. We discussed with him at the time, and it continues to be the case, that if you have a voucher program for Medicare and Medicaid and the voucher payments increase at a slower rate than health care costs are increasing, then over time people cannot buy as comprehensive insurance coverage as they start out, and at some point that could become quite an issue."

NO CUTS TO GUARANTEED MEDICARE BENEFITS IN HEALTH REFORM

REP. PASCRELL (D-NJ): "Would you confirm this, that there are no cuts in guaranteed benefits under the Medicare program? Would you verify that? We're not talking about the private plans, we're not talking about doing away with gym privileges, we are talking about substance and you know what I'm talking about."

FOSTER: "There are no cuts in what's referred to as 'guaranteed benefits,' in other words, the standard Medicare benefit package, in fact that's been expanded."

REPEAL FORCES SENIORS TO PAY BACK DONUT HOLE CHECKS

REP. CROWLEY (D-NY): "One of the Affordable Care Act's greatest tangible benefits was the assistance it provided to our seniors with high prescription drug costs, particularly those who got caught in what is known as the Medicare Part D Donut Hole or coverage gap. The law gave every senior who was hit in that coverage gap in 2010 a check for \$250. Is that correct?"

FOSTER: "Yes, the ones who made it to the coverage gap."

REP. CROWLEY: "That's the equivalent of 7,300 seniors in my district alone and over 3 million seniors nationwide. These are checks that seniors have already received that they are already using to help them to pay for the high cost of prescription drugs. Is it true that the Republicans' efforts to repeal the ACA, which each of my colleagues on the other side of the aisle voted for, as if it had not been enacted, would force seniors to return that \$250 check that they received to help them with the costs of prescription drugs. Would that be the case?"

FOSTER: "If the legislation were repealed entirely and retroactively, including provisions that have already taken effect, then yes, in theory you would have to pay back those rebate checks."

#